



City of Tempe
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Fire Department

TO: Mayor and Council

FROM: Mark Simmons, Interim Fire Chief (858-7218)
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THROUGH: Charlie Meyer, City Manager

DATE: June 16, 2010

SUBJECT: Update on Accident Reimbursement

During the February 18, 2010 Special Budget Session, the accident reimbursement charge was agreed upon as a citywide revenue restoration. Subsequently, the Fire Department was tasked to follow up on researching its implementation.

Staff is looking for support on whether to proceed with a Request for Proposal to vendors.

Background:

Accident reimbursement enables the City of Tempe, through an outside party billing company, to recoup expenses resulting from accidents within the City of Tempe boundaries.

According to Fire Department generated reports, in the past year there were 1,880 vehicle accidents with injures. This is almost twice as many per capita in comparison to Chandler, Glendale, Peoria, Phoenix, and Scottsdale.

City	Vehicle Accidents Last 12 months	Population to 10,000	Percentage of Population
Tempe	1,880	169	11.12%
Chandler	1,487	254	5.85%
Peoria	941	157	5.99%
Phoenix	11,464	1,567	7.32%
Scottsdale	1,218	235	5.18%
Glendale	1,721	251	6.86%

Currently, Fire Department records do not capture all resident versus non-resident incidents. Fire Department records capture patient information which may not necessarily be the at-fault driver. An analysis by the Police Department using Arizona Department of Transportation (ADOT) 2008 information entered into the State database indicated the percentage of the at-fault Tempe drivers was 37.5% [\[1\]](#).

The following graph illustrates the average time on scene per incident type; and when weighted by the number of incidents per type, the average time spent on vehicle accident incidents is 24.78 minutes.

Vehicle Accident Type	Average Time On-Scene (in minutes)
Bicycle	18.91
Injuries-basic	23.50
Motorcycle	24.35
Pedestrian	26.96
Injuries-advanced	28.29
Light Rail	33.20
Extrication	36.74
Fire	45.47
Car into Canal	159.78

As Tempe is a landlocked city in an urban core, cut through traffic can be an issue, which is illustrated by Tempe's daytime population increase of 38%. This is the largest increase in the East Valley according to the 2000 U.S. Census.

City	Total resident population	Total workers working in city	Total workers living in city	Estimated daytime population	Daytime population change due to commuting	
					Number	%
Avondale	35,883	5,605	15,815	25,673	-10,210	-28.5
Chandler	176,581	67,537	91,261	152,857	-23,724	-13.4
Gilbert	109,697	23,769	55,938	77,528	-32,169	-29.3
Glendale	218,812	64,306	103,428	179,690	-39,122	-17.9
Mesa	396,375	143,263	182,582	357,056	-39,319	-9.9
Phoenix	1,321,045	695,712	599,592	1,417,165	96,120	7.3
Scottsdale	202,705	138,915	102,824	238,796	36,091	17.8
Surprise	30,848	8,463	10,644	28,667	-2,181	-7.1
Tempe	158,625	149,001	89,233	218,393	59,768	37.7

General Information

At this time, the City Attorney's Office opined that there does not appear to be any legal barriers to imposing such a fine or administrative fee; however, they will continue to research this topic.

Researching accident reimbursement revealed this program can be flexible and tailored.

Although the simplistic approach would be to bill regardless of residency or fault, this program can have nuances such as:

- Billing for: Fires, Hazardous Materials, Technical Rescues, Vehicle Accidents, Extrication, Nuisance Alarms, Medical First Responses, Fire Inspections and Investigations
- Both residents and non-residents can be billed for services
- Fault does not necessarily need to be established for billing
- Billing of insurance companies and individuals (uninsured)
- Incidents occurring in the city and highways can be billed for

Financial Information

Generally, outside vendors retain 15% to 20% of the revenue received with a collection rate range of 35% to 50%. Rate schedules that could be established are flat fee, tier time system, and actual time on-scene. The Fire Department is currently working with Financial Services to estimate the total average cost per incident. Other cities average billing rate for a 30 minute fire engine response would be \$598. Based on labor billing rates, generated by the Budget Office, staff time on average would be \$246.80 which does not include equipment, overhead or fuel.

For the purpose of budgeting, a conservative estimate would be a 50% collection for motor vehicle incidents; a moderate billing rate of \$250.00 per incident was used for a total of over \$200,000 in revenue. The breakdown is as follows:

Accidents in 2009	1,880
Discounted by 50%	940
Times a billing Rate of \$250	\$235,000
Less 15% Retained by Vendor	<u>(35,000)</u>
Estimate	<u>\$200,000</u>

[\[1\]](#) It is important to note that the at-fault status was derived from Driver 1 information included within the accident report and the ultimate responsibility for an accident could change as the case is adjudicated. According to Traffic Engineering, generally Driver 1 is considered most at-fault for a traffic accident.